

Mayor Kerby called the March 1, 2005 regularly scheduled council meeting to order at 7:00 p.m. Present for the meeting were Mayor Darrell Kerby, Council President Mick Mellett, Council Members Russ Docherty, Leslie Falcon, and Jim Burkholder, Clerk Kris Larson, City Administrator Stephen Boorman, Police Chief Dave Kramer, and Fire Chief Larry Owsley. Also present was Dave Gray.

Mayor Kerby said he attended the Bonner County Economic Development meeting in Sandpoint. Their group is totally private and is funded by the businesses. There is no government involvement. They have had great success bringing new businesses to the area. One of their concerns is that the average income has dropped. The real estate profession from Bonner County and Boundary County have joined together to advertise. Bonner County EDC has been contemplating a partnership with the Boundary County EDC to attract new industry.

Attorney Tim Wilson joined the meeting at 7:08 p.m.

Dave Kramer gave the police report. The City has borrowed a speed trailer from the City of Coeur d'Alene and it is being used at problem areas around the community. We will have the use of it for two weeks. The past two weeks have been active and there have been several drug arrests made. A false report was filed in November by a juvenile and this case has been solved. Dave has submitted a grant for a speed trailer.

Larry Owsley said DEQ has asked the fire department to do a follow up on a local service station but no problems were found. The FEMA grant has been completed for 2005 and it requires a five percent match from the City on a fire truck.

Russ Docherty asked if all the burning has been done by the fire department on the rim property. Larry Owsley said it is not complete and as soon as the weather changes with the wind in the correct direction the piles will be burned.

Larry has also received requests to burn private property on the northside where the weeds have gotten quite high. Mayor Kerby cautioned that legal authority should be given before this task is taken on. Larry feels it would be better to control the situation and burn it. Mayor Kerby said if the problem is a private issue there are mechanisms to follow to hold the property owners responsible. Mayor Kerby told Larry to review these issues with Attorney Tim Wilson.

Russ Docherty said it looks like there are piles of logs along the railroad tracks in the area that was cleaned up by the Fire Safe Program. Larry Owsley said he thinks it is debris that was left by the contractors. Stephen Boorman said it may be tops left by the processor.

Jim Burkholder said the property on the northside above the sidewalk but below the property lines is state property and it is very grown over. Mayor Kerby said we should work with the state to get this taken care of.

Jim Burkholder moved to approve the consent agenda in its entirety. Leslie Falcon seconded the motion. The motion passed, all in favor. The consent agenda contained the following: roll call; approval of March 1, 2005 accounts payable; approval of Treasurer's Report; approval of February 15, 2005 council meeting minutes; approval of February 22, 2005 special council meeting minutes; approval for two employees to attend Idaho Paving Materials Conference in Post Falls on March 8, 2005; approval for Dean Satchwell to attend the Law Enforcement Information and Records Management Conference in Post Falls on May 10-11, 2005.

The group discussed zoning near the hospital.

Jim Burkholder moved to authorize the Mayor to sign the Golf Course Improvement Grant. Mick Mellett seconded the motion for discussion. The city costs will be \$21,000 for the ADA compliant work to be done. The work will be done with city labor according to Stephen Boorman. The motion passed – Mick Mellett “yes”, Russ Docherty “yes”, Leslie Falcon “yes”, Jim Burkholder “yes”.

Jim Burkholder moved to have the first reading of Ordinance 491 Authorizing the Issuance and Sale of a Single Local Improvement District 2002-1 Bond. Russ Docherty seconded the motion. The motion passed, all in favor. Clerk Kris Larson read Ordinance 491 in its entirety.

Mick Mellett moved to have the second and third readings of Ordinance 491 by title only. Leslie Falcon seconded the motion. The motion passed, all in favor. Clerk Kris Larson read Ordinance 491 by title only twice.

Jim Burkholder moved to adopt Ordinance 491. Mick Mellett seconded the motion. The motion passed – Mick Mellett “yes”, Russ Docherty “yes”, Leslie Falcon “yes”, Jim Burkholder “yes”. Ordinance 491 reads as follows:

ORDINANCE NO. 491

**AN ORDINANCE OF THE CITY OF BONNERS FERRY, OF BOUNDARY COUNTY, IDAHO,
DECLARING THE COST OF ACQUIRING, CONSTRUCTING, AND INSTALLING
IMPROVEMENTS WITHIN THE BOUNDARIES OF LOCAL IMPROVEMENT DISTRICT NO.
2002-1 OF THE CITY; AUTHORIZING THE ISSUANCE AND SALE OF A SINGLE LOCAL
IMPROVEMENT DISTRICT NO. 2002-1 BOND IN THE AGGREGATE PRINCIPAL AMOUNT OF
\$125,350.00; PROVIDING FOR THE DATE, FORM, MATURITY AND DESIGNATION OF SAID
BOND; FIXING THE RATE OF INTEREST AND MANNER OF REPAYMENT OF SAID BOND;
PROVIDING FOR REGISTRATION AND AUTHENTICATION OF SAID BOND; SETTING FORTH
CERTAIN PROVISIONS REGARDING THE GUARANTEE FUND; APPROVING THE SALE OF
SAID BOND; PROVIDING FOR CERTAIN COVENANTS RELATING TO FEDERAL TAX LAW;
PROVIDING FOR THE EFFECTIVE DATE HEREOF; AND PROVIDING FOR OTHER MATTERS
PROPERLY RELATING THERETO**

CITY OF BONNERS FERRY

Boundary County, Idaho

LOCAL IMPROVEMENT DISTRICT NO. 2002-1 BOND, 2005

Principal Amount of \$125,350.00

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BONNERS FERRY, of Boundary County, Idaho, as follows:

WHEREAS, the City of Bonners Ferry (the "City"), of Boundary County, Idaho, is a municipal corporation operating and existing under and pursuant to the laws of the State of Idaho, and as such is authorized and empowered to create local improvement districts and to construct improvements pursuant to Idaho Code, Title 50, Chapter 17;

WHEREAS, the City is authorized to conduct proceedings and to form local improvement districts for the purpose of financing the acquisition, construction and installation of improvements to and betterments within the local improvement district pursuant to the terms and provisions of Idaho Code Title 50, Chapter 17;

WHEREAS, the City Council of the City (the "Council") after proper notice duly created its Local Improvement District No. 2002-1 ("LID No. 2002-1") and ordered the acquisition, construction and installation of storm drainage, curb, sidewalk, landscape and lighting system improvements therein; and

WHEREAS, the total assessment roll within LID No. 2002-1 was confirmed by Ordinance No. 487, adopted on January 11, 2005;

WHEREAS, the owners of the property within said LID No. 2002-1 have heretofore paid in the sum, with interest earned, of approximately \$53,875.00, leaving an unpaid balance of assessments of \$125,350.00, which amount shall be produced by the issuance and sale of a single Local Improvement District No. 2002-1 Bond; and

WHEREAS, the City desires to purchase the Bond authorized herein and believes that it is in the best interests of the City to do so and to authorize the issuance of its Local Improvement District No. 2002-1 Bond to secure repayment of the obligation;

NOW, THEREFORE, BE IT FURTHER ORDAINED as follows:

Section 1: DEFINITIONS

As used in this Ordinance, capitalized terms shall have the meanings provided in this Section. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders, and vice versa. Words imparting the singular number shall include the plural numbers and vice versa, unless the context shall otherwise indicate.

Acquire, Acquiring or Acquisition includes the opening, laying out, establishment, purchase, construction, securing, installation, reconstruction, lease, gift, grant from the federal government, the State of Idaho, any public body therein or any person or entity, the condemnation, transfer, option to purchase, other contract, or other acquirement, or any combination thereof.

Bond shall mean the City of Bonners Ferry Local Improvement District No. 2002-1 Bond, herein authorized to be issued, sold, and delivered in the principal amount of \$125,350.00.

Bond Fund shall mean the "City of Bonners Ferry Local Improvement District No. 2002-1 Bond Fund" created by Ordinance No. 487 and referred to in this Ordinance, created for the purpose of paying the principal of the Bond.

Bond Ordinance shall mean this Ordinance authorizing the issuance of the Bond.

Bond Registrar shall mean the Treasurer of the City, who shall also act as authenticating agent, and paying agent, pursuant to this Ordinance.

Bond Year means each one-year period that ends on the date selected by the City. The first and last Bond Years may be short periods. If no day is selected by the City before the earlier of the final maturity date of the Bond or the date that is five years after the date of issuance of the Bond, Bond Years end on each anniversary of the date of issue and on the final maturity date of the Bond.

City shall mean the City of Bonners Ferry, of Boundary County, Idaho, a duly incorporated and existing municipal corporation organized and operating under the Constitution and laws of the State of Idaho.

City Clerk or Clerk shall mean the *de facto* or *de jure* City Clerk, or other officer of the City who is the custodian of the seal of the City and of the records of the proceedings of the Council, or his/her successor in function, if any.

Code shall mean the Internal Revenue Code of 1986, as amended, and any Treasury Regulations promulgated thereunder.

Cost of the Project or Costs of the Project or any phrase of similar import, shall mean all or any part designated by the Council of the costs of the Project, or interest therein, which costs, at the option of the Council, may include all or any part of the incidental costs pertaining to the Acquisition of the Project, including, without limitation:

- (1) Preliminary expenses advanced by the City from funds available for the use therefor, or advanced by the federal government, or from any other source, with approval of the Council, or any combination thereof;
- (2) The costs of making surveys, audits, preliminary plans, other plans, specifications, estimates of costs and other preliminaries;
- (3) The costs of appraising, printing, estimates, advice, services of engineers, architects, financial consultants, attorneys at law, clerical help, or other agents or employees;
- (4) The costs of contingencies;
- (5) The costs of any discount on the Bond and of any of the costs of issuance of the Bond;
- (6) The costs of funding any short-term financing, notes, or other temporary loans appertaining to the Project, and of the incidental expenses incurred in connection with such loans;
- (7) The Acquisition costs of any properties, rights, easements, or other interest in properties, or any licenses, privileges, agreements and franchises; and
- (8) All other expenses necessary or desirable and appertaining to the Project, as estimated or otherwise ascertained by the City.

Council shall mean the City Council of the City of Bonners Ferry, of Boundary County, Idaho.

Guarantee Fund shall mean the "City of Bonners Ferry Local Improvement Guarantee Fund" created for the purpose of guaranteeing, to the extent of such fund, the payment of principal of and interest on local improvement district bonds and notes of the City.

Interest Fund shall mean the "City of Bonners Ferry Local Improvement District No. 2002-1 Interest Fund" created by Ordinance No. 487, and referred to in this Ordinance for the purpose of paying interest on the Bond.

Improvement(s) or Improve includes the Acquisition, extension, widening, lengthening, betterment, alteration, reconstruction, or other major improvement, or any combination thereof, of any properties pertaining to the System or an interest therein, but does not mean general maintenance or repair.

Mayor shall mean the *de facto* or *de jure* Mayor of the City, or any presiding officer or titular head of the City or his/her successor in functions, if any.

Net Proceeds when used with reference to the Bond shall mean the face amount of the Bond, plus accrued interest, if any, and original issue premium, if any, and less original issue discount, if any.

Project shall mean the improvement project heretofore authorized.

Registered Owner or Registered Owners shall mean the purchaser of the Bond and any subsequent owner of the Bond.

Treasurer shall mean the Treasurer of the City, or his or his/her successor in functions, if any.

Section 2: THE PROJECT

A. Project Description. The Project constructed with the proceeds of the Bonds is as described in Resolution No. 2004-11, which are generally described as downtown improvements.

B. Cost of the Project. The total Cost of the Project was \$1,463,134.44, \$53,875.00 of which has heretofore been paid by property owners, and \$125,350.00 of which will be financed by the proceeds of the Bond. The remainder of the Cost of the Project, if any, will be paid with other legally available funds, including grant funds from the State of Idaho or other funds of the City.

Section 3: BOND AUTHORIZED

One Local Improvement District No. 2002-1 Bond of the City, in fully registered form, designated "City of Bonners Ferry Local Improvement District No. 2002-1 Bond" in the principal amount of \$125,350.00, is hereby authorized to be issued, sold, and delivered.

The Bond is issued to pay the cost of effecting the improvements, including the contract price and the cost and expenses of engineering, legal and all other costs incidental to said improvements, including the costs of issuance of the Bond, publications, and interim financing, less the prepayment of assessments and contributions by the City.

Section 4: DESCRIPTION OF BOND

The Bond shall be issued in fully registered form, shall be dated as of March 1, 2005, shall be in the total aggregate principal amount of \$125,350.00, and shall bear interest on the unpaid balance from the date of the Bond until paid at the rate of 5.50% per annum. Interest shall be calculated on the basis of a 365-day year.

Said Bond shall be payable in ten (10) equal annual installments of principal and interest, payable commencing on March 1, 2006 and on each March 1st thereafter to the date of maturity or prior redemption. The final annual installment may be in such greater or lesser amount as is necessary to fully pay both principal of and interest on said Bond within ten (10) years of its date.

The Bond shall be substantially in the form as set forth in Exhibit "A", attached hereto and hereby made a part hereof.

Section 5: SALE OF BOND AUTHORIZED

The City has examined the interest rate available for obligations of this type, the rate the City could otherwise receive on funds it invests, the reduced cost of issuance, and the security of this investment in determining to issue this Bond to the City.

The sale of the Bond to the City of Bonners Ferry (hereinafter "Registered Owner"), in accordance with its willingness to purchase the Bond, is hereby accepted, authorized and approved. The Council hereby declares that after considering the issuance costs and the time delay involved with a public sale of these Bonds, that it is in the best interests of the property owners located within the boundaries of LID No. 2002-1 for the City to acquire this Bond through either an interfund loan or other method through which the City may acquire the Bond and right to receive annual assessment payments from property owners within LID No. 2002-1. The Council has also examined the rate of return that may be available and finds that the rate of return on the purchase of the Bond is in the best interests of the City.

Section 6: EXECUTION AND DELIVERY OF BOND

Without unreasonable delay, the City shall cause a definitive Bond to be prepared, executed and delivered, which Bond shall be lithographed or printed with engraved or lithographed borders. The Bond shall be signed by the Mayor of the City, countersigned by the Treasurer, and attested by the Clerk (all of which signatures shall be manual), and the official seal of the City shall be impressed thereon. The Bond shall then be delivered to the Bond Registrar for authentication.

Only such Bond as shall bear therein a Certificate of Authentication in the form set forth in Exhibit "A", manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this Ordinance, and such Certificate of Authentication shall be conclusive evidence that the Bond so authenticated have been duly executed, authenticated, and delivered hereunder and is entitled to the benefits of this Ordinance.

Section 7: PLACE AND MANNER OF PAYMENT

Both principal of and interest on the Bond is payable in lawful money of the United States of America by check or draft or electronic transfer on or before the due date to the Registered Owner at the address of such Registered Owner as shown on the registration books of the City (the "Bond Register") maintained by the Bond Registrar as of the close of business on the 15th day of the calendar month next preceding the payment date.

Section 8: REDEMPTION PRIOR TO MATURITY

A. Optional Redemption. The City hereby reserves the right, at its option, to prepay, on any annual payment date, the principal amount outstanding, in whole, or, in the manner hereinafter provided, in part, at any time while the Bond is held by the Registered Owner.

Partial prepayments shall be made in the amount of \$1,000 or in multiples thereof. No partial prepayment shall extend or postpone the due date of any subsequent installment. Any prepayment shall be made without penalty, additional interest, or charges.

B. Notice of Redemption. So long as the Bond is held by the City, no notice of prepayment is necessary. If the Bond is transferred, notice of any such intended redemption shall be mailed by registered mail to the new registered owner of the Bond at its address appearing on the Bond Register or at such other address as designated in writing to the Bond Registrar by the new registered owner, at least thirty (30) days prior to the redemption date.

C. Effect of Redemption. When so called for redemption, the Bond or such prepaid portion thereof shall cease to accrue interest on the specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and shall not be deemed to be outstanding as of such redemption date.

Section 9: BOND REGISTRAR

Registrar's Responsibilities. The Treasurer of the City is hereby appointed as Bond registrar, authenticating agent, and paying agent, and is herein referred to as the "Bond Registrar." The Bond Registrar shall keep, or cause to be kept, sufficient books for the registration of the Bond. The Bond Registrar is authorized to authenticate and deliver the Bond in accordance with the provisions of such Bond and this Ordinance and to carry out all of the Bond Registrar's powers and duties under this Ordinance.

Limitation on Transfer or Exchange of Bond. The registered ownership of the Bond may be transferred or exchanged only within the limitations imposed and agreed to by the City as Registered Owner of the Bond in the Certificate of Investigation by Purchaser at Private Sale and the requirements of the Code. In the event of transfer, any subsequent owner will be required to acknowledge the restrictions on the transfer of the Bond and it will be the Registered Owner's responsibility to have any prospective transferee execute a Certificate substantially in the form attached hereto as Exhibit "B" and incorporated herein by reference, and to verify that any prospective purchaser meets all of the requirements then in place to have and hold the Bond. The Bond Registrar shall not be obligated to transfer or exchange the Bond during the 15 days preceding any interest payment or principal payment date.

Section 10: BOND FUND AND INTEREST FUND

The City Treasurer was authorized and empowered by Ordinance No. 487 to receive and collect all assessments levied on property within LID No. 2002-1 to pay the Cost of the Project, the installments thereof, the interest thereon, and the penalties accrued, and to pay and disburse such payments to the person or persons lawfully entitled to receive the same, in accordance with the laws of the State of Idaho and all ordinances and resolutions of the City.

All moneys constituting payment of principal on said unpaid installments of assessments for LID No. 2002-1 are to be deposited into a special fund, designated "City of Bonners Ferry Local Improvement District No. 2002-1 Bond Fund" (the "Bond Fund"), and shall be used and applied for the purpose of paying the principal of the Bond herein authorized and for no other purpose whatsoever, and as security for such payment the Bond Fund is hereby pledged.

All moneys constituting payment of interest on said unpaid installments of assessments for LID No. 2002-1 are to be deposited into a special fund, designated "City of Bonners Ferry Local Improvement District No. 2002-1 Interest Fund" (the "Interest Fund"), and shall be used and applied for the purpose of paying the interest on the Bond herein authorized and for no other purpose whatsoever, and as security for such payment the Interest Fund is hereby pledged.

Both principal of and interest on the Bond are payable only out of said Bond Fund and Interest Fund, or out of the Local Improvement Guarantee Fund to the extent of such fund and not otherwise.

Moneys in the Bond Fund and Interest Fund for LID No. 2002-1 shall be deposited in such bank or banks as are designated as depositories of public moneys for the funds of the City under the depository laws of the State of Idaho for the deposit of public funds or investments as provided by law. Interest received on such funds to be deposited or invested shall be placed to the credit of the fund from which it was earned.

In the event the Bond Fund and Interest Fund should be insufficient to meet accruing payments of principal and interest on both the Bond and the Bond, the City agrees that the moneys on hand in the Bond Fund and Interest Fund shall be used first to pay the interest due and payable on the Bond in full, and then, if money is remaining after the payment of the interest owed in full, to pay the principal amount then due and payable on the Bond.

Section 11: GUARANTEE FUND

The City Treasurer is hereby authorized and empowered if the Council deems it necessary, to receive and collect any and all of the receipts of municipal taxes and charges lawfully levied and collected pursuant to Section 50-1762 Idaho Code, as amended, to place said moneys in the Guarantee Fund, heretofore created, to disburse therefrom said moneys for the payment of the principal of and interest on the Bonds as provided, if necessary to redeem said Bonds at maturity, both principal and interest, and to otherwise maintain and manage said funds in the manner heretofore specified.

Section 12: LOST, STOLEN, MUTILATED OR DESTROYED BOND

In case the Bond shall be lost, stolen, mutilated or destroyed, the Bond Registrar may authenticate and deliver a new Bond of like date, denomination, number, tenor and effect to the Registered Owner thereof upon the Registered Owner's paying the expenses and charges of the City in connection therewith and upon his filing with the City evidence satisfactory to the City that such Bond was actually lost, stolen or destroyed and of this ownership thereof, and upon furnishing the City with indemnity satisfactory to the City.

Section 13: TAX COVENANTS; SPECIAL DESIGNATION

A. Tax Covenants: The City hereby covenants that it will not make any use of the proceeds of sale of the Bond or any other funds of the City which may be deemed to be proceeds of such Bond pursuant to Section 148 of the Code which will cause the Bond to be an "arbitrage Bond" within the meaning of said section and said regulations. The City will comply with the requirements of Section 148 of the Code (or any successor provision thereof applicable to the Bond) throughout the term of the Bond. The City hereby further covenants that it will not take any action or permit any action to be taken that would cause the Bond to constitute a "private activity bond" under Section 141 of the Code.

B. Special Designation: The Bond is hereby designated as a "Qualified Tax-Exempt Obligation" for purposes of Section 265(b) of the Code. The City does not expect to issue tax-exempt obligations in an aggregate principal amount in excess of \$10,000,000 during the 2005 calendar year.

Section 14: ONGOING DISCLOSURE

The City is exempt from the ongoing disclosure requirements of Securities and Exchange Commission Rule 15c2-12 by reason of the exemption set forth in subsection (d)(i) of that rule with respect to the issuance of securities in authorized denominations of \$100,000 or more, and since the size of the issue is less than \$1,000,000.

Section 15: VALIDITY OF ISSUANCE

The Bond is issued pursuant to the Local Improvement District Act, being Idaho Code Section 50-1701 through 50-1771, inclusive. This recital is conclusive evidence of the validity of the Bond and the regularity of its issuance.

Section 16: DETERMINATION

The City Council does hereby find, determine, and declare that it was essential to the public interest, welfare, and convenience of the City and the inhabitants thereof to undertake and acquire the Project. Said Project will be paid for in part by the issuance of the Bond in conformity with the Idaho Code, as set forth herein.

Section 17: SEVERABILITY

If any one or more of the covenants or agreements provided in this Ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenants or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements in this Ordinance and shall in no way affect the validity of the other provisions of the Ordinance or of the Bond.

Section 18: REPEALER

All prior resolutions or ordinances inconsistent herewith are hereby repealed and shall, to the extent of such inconsistency, have no further force or effect.

Section 19: PUBLICATION

Pursuant to Section 50-1727, Idaho Code, this Ordinance, or a summary thereof in compliance with Section 31-715A, Idaho Code, shall be published once in the official newspaper of the City. Attached hereto as Exhibit "C" is a summary of this Ordinance, which is hereby approved for publication.

Any contest or proceeding to question the validity or legality of this Ordinance, or of any ordinance, resolution, or proceedings heretofore taken with respect to LID No. 2002-1, or of the Bond authorized hereby, shall be brought in court by any person for any cause whatsoever after the expiration of thirty (30) days from the publication of this Ordinance, and after such time the

validity, legality and regularity of this Ordinance and any ordinance, resolution, or proceedings with respect to LID No. 2002-1, or the Bond authorized hereby, shall be conclusively presumed.

Section 20: EFFECTIVE DATE

This Ordinance shall take effect and be in force from and after its passage, approval and publication as provided herein.

ADOPTED this 1st day of March, 2005.

CITY OF BONNERS FERRY

/s/ Darrell Kerby, Mayor

ATTEST: /s/ Kris Larson, City Clerk

Jim Burkholder moved to authorize the Mayor, Clerk/Treasurer, and City Administrator to sign the bond related paperwork. Leslie Falcon seconded the motion. The motion passed – Mick Mellett “yes”, Russ Docherty “yes”, Leslie Falcon “yes”, Jim Burkholder “yes”.

Russ Docherty moved to approve the Forest Service Grant pay request for Welch Comer and Associates. Mick Mellett seconded the motion. The motion passed – Mick Mellett “yes”, Russ Docherty “yes”, Leslie Falcon “yes”, Jim Burkholder “yes”.

Council discussed future dates to hold water informational meetings. The group decided to have a meeting on March 22, 2005 at 7:00 p.m. at City Hall. The water districts will be notified and advertisement in the Herald of the meeting will be done. Another water meeting will be held on April 12, 2005 at 7:00 p.m. and again on May 10, 2005 at 7:00 p.m. Mick Mellett moved to accept the above dates. Leslie Falcon seconded the motion and it passed, all in favor.

Russ Docherty moved to go out to bid for a slide in water tank. Leslie Falcon seconded the motion. The motion passed, all in favor.

The group discussed the power plant upgrade bids that will be required. Mick Mellett moved to authorize to go out for bids for the following within the next year: 1) main switchgear; 2) master control panels; 3) main guard valve actuators; 4) excitation system; 5) governor controls; 6) automation programming and controls. Leslie Falcon seconded the motion. The motion passed, all in favor.

The group discussed the rates for the fire department. Mick Mellett moved to table this issue until the next meeting. Leslie Falcon seconded the motion and it passed.

Jim Burkholder moved to authorize the Mayor to sign the Visitor’s Center Supplemental Agreement #1. Leslie Falcon seconded the motion. The motion passed – Mick Mellett “yes”, Russ Docherty “yes”, Leslie Falcon “yes”, Jim Burkholder “yes”.

Russ Docherty moved to authorize the Mayor to sign the Visitor’s Center Concept Report. Jim Burkholder seconded the motion. The motion passed – Mick Mellett “yes”, Russ Docherty “yes”, Leslie Falcon “yes”, Jim Burkholder “yes”.

Stephen Boorman said the next meeting with the architects for the visitor’s center project is on March 10, 2005 at city hall. Council advised to post this as a meeting.

At 8:13 p.m. Mick Mellett moved to go into executive session per Idaho Code 67-2345 to discuss negotiations and legal issues. Russ Docherty seconded the motion. The motion

passed – Mick Mellett “yes”, Russ Docherty “yes”, Leslie Falcon “yes”, Jim Burkholder “yes”. At 9:20 p.m. Russ Docherty moved to go out of executive session. Leslie Falcon seconded the motion. The motion passed, all in favor. No action was taken.

The meeting adjourned at 9:20 p.m.

Darrell Kerby, Mayor

Attest:

Kris Larson, City Clerk